



Government of
Saskatchewan

Annual Report 1988

Municipal Employees' Superannuation Commission

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I — Letter of Transmittal

The Honourable J. Gary Lane, Q.C.
Minister-in-Charge,
Municipal Employees'
Superannuation Commission,
Legislative Building Room 312,
Regina, Saskatchewan.
S4S 0B3

Dear Sir:

On behalf of the Municipal Employees'
Superannuation Commission, I have the honour
to submit herewith the forty-seventh Annual
Report together with the financial statements
for the calendar year ending December 31,
1988, pursuant to provisions of section 62 of
The Municipal Employees' Superannuation Act.

Respectfully submitted,

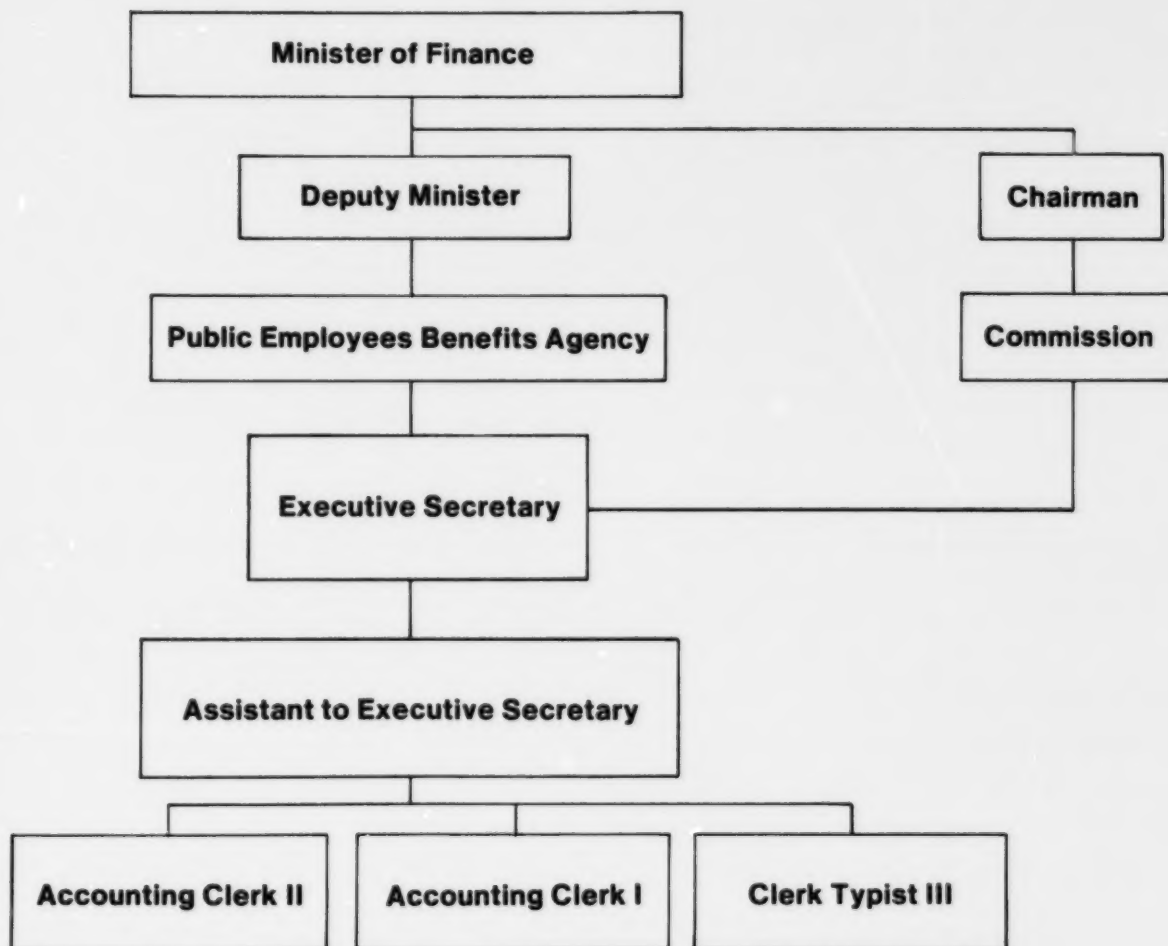
Dave Wild,
Executive Secretary.

II — Introduction

The Municipal Employees' Superannuation Commission consists of a Chairman appointed by the Lieutenant Governor in Council to represent the Government of Saskatchewan, and eight members representing their respective associations as listed below.

Name	Position	Representing
Roy C. Parkinson	Chairman	The Government of Saskatchewan
William L. Burbank	Vice-Chairman	Rural Municipal Administrators' Association of Saskatchewan
Thomas W. Edwards	Member	Saskatchewan Association of School Business Officials
Owen Mann	Member	Saskatchewan Association of Urban Municipalities
Gregorie (Greg) McCullagh	Member	Saskatchewan Federation of Police Officers and Firemen
Jerry Fizell	Member	Saskatchewan Regional Colleges Trustees' Association
Waldemer (Wally) Herman	Member	Saskatchewan Association of Urban Administrators
Dwight Welisch	Member	Saskatchewan School Trustees' Association
Daryl Chambers	Member	Saskatchewan Association of Rural Municipalities

III — Organizational Chart



IV — Plan Membership

Employers	Number of Employers	Number of Employees
Cities	7	747
Towns	138	809
Villages	138	201
Rural Municipalities	299	1,279
School Divisions and Boards	96	1,975
Regional Libraries	5	101
Regional Colleges	11	163
Other Employers	<u>10</u>	<u>108</u>
Total Active Participants	<u>704</u>	<u>5,383</u>

V — General Comments

Interest Credits

For the year 1988, the commission allocated interest to contributors' accounts at the rate of 10.5% per annum.

Investment of Funds

Effective June 1, 1988, *The Investment Provisions Act* placed the responsibility for holding in trust and investing the monies in the fund with the Municipal Employees' Superannuation Commission. Prior to this all monies in the fund were held in trust by the Minister of Finance.

The commission has hired the Investment Corporation of Saskatchewan (ICS) to invest its monies. The Corporation's sole concern is to manage investments for a variety of public sector funds and government agencies. The Corporation is owned by the funds it manages. Payment to the Corporation for its services is in the form of a management fee, on a cost recovery basis, from the shareholders funds. The Municipal Employees' Superannuation Plan continues to be administered by the Public Employees Benefits Agency. In 1988, the commission commenced drafting its Investment Policy and Objectives, to guide the ICS in its investment decisions.

Cost of Administration of the Plan

The cost of administering the plan was borne by the provincial government for the period January 1, 1988 to March 31, 1988. These costs included:

- (a) office space, furniture, and equipment;
- (b) expert investment services through the Department of Finance; and
- (c) computerized cheque preparation with respect to more than 1,400 superannuation cheques each month.

Effective April 1, 1988, the Municipal Employees' Superannuation Commission became responsible for its own administrative costs.

New Commission Member

March 30, 1988 — Mr. Jerry Fizell of Nipawin, Saskatchewan, was appointed by the Saskatchewan Regional Colleges Trustees Association to represent their interests at commission meetings. Mr. Fizell succeeds Mr. Julius Friesen of Saskatoon, Saskatchewan.

VI — Plan Improvements

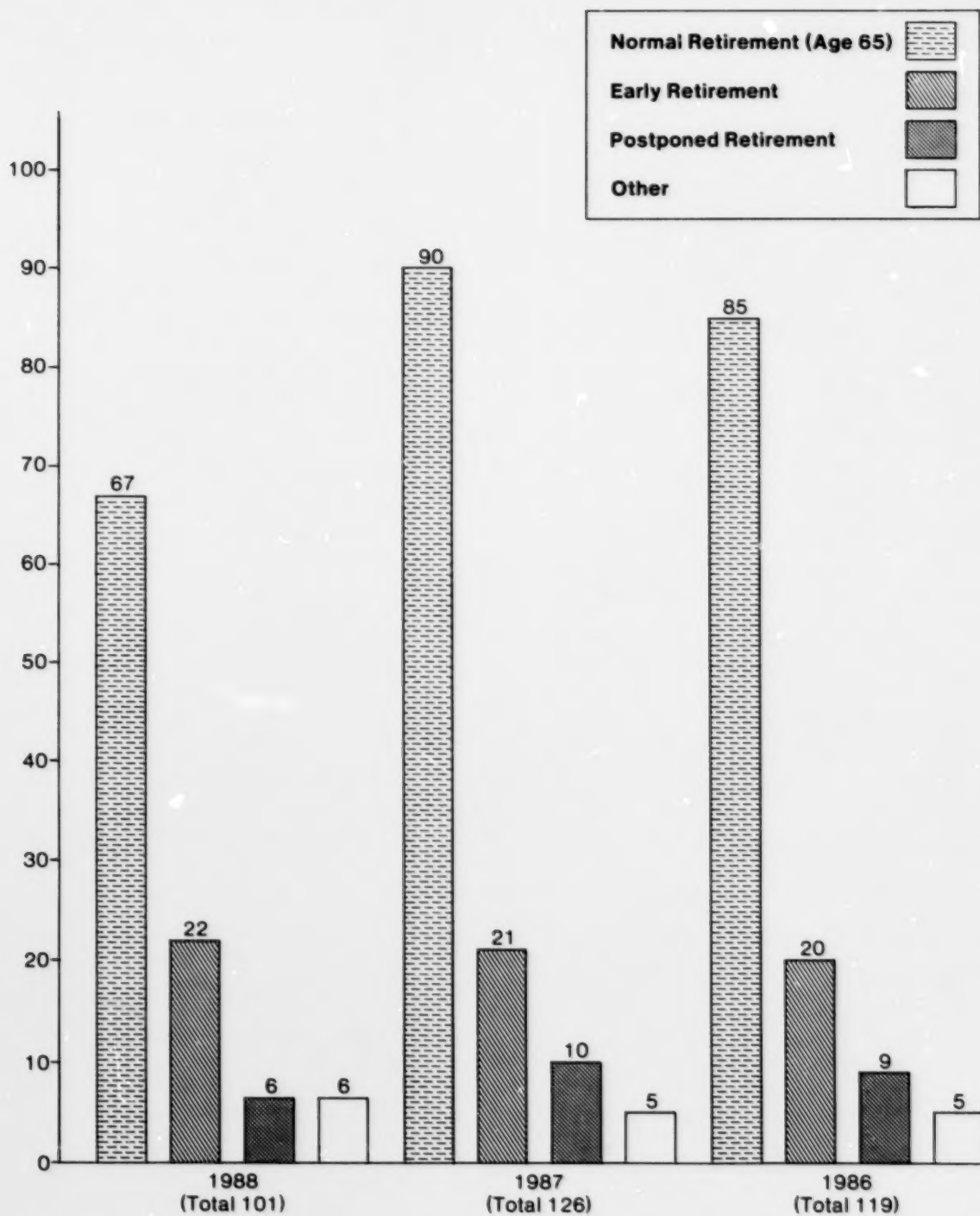
In January, 1988, the commission announced, for the fifth time in the 1980's, that a pension supplement was to be paid to superannuates. Pensions that commenced in 1986 were increased by 4%. Pensions that commenced prior to 1986 were increased 4% plus an additional 1% for each year the pension commenced prior to 1986 to a maximum of 15%.

Effective June 28, 1988, members may retire anytime after age 50 years where age plus credited service (i.e. service under the new plan) total 80 years. Designated police officers and firefighters are eligible for a pension anytime after age 45 where age plus credited service total 70 years. The pensions payable under the new early retirement provisions are calculated on the basis of salary and service to the date of retirement but without actuarial reduction. The previous criteria for early retirement without actuarial reduction were 85 years for the general membership and 75 years for designated police officers and firefighters.

VII — Comparative Statistics

	1988	1987
Contributions to New Plan		
— Employees	\$ 6,627,251	\$ 6,472,567
— Employers	6,627,251	6,472,567
Contributions to Former Plan (Voluntary Contributions)		
— Employees	73,531	98,173
— Employers	48,251	79,470
Superannuation Allowances		
— Number granted during the year	101	126
— Pension Costs	4,762,065	4,032,326
Other Payments		
— Refunds	1,251,389	948,180
— Payments to insurance companies		3,883
— Lump Sum Payments in lieu of Allowances	68,379	61,258
— Payments to Beneficiaries and/or Estates	94,295	50,691
— Reciprocal Transfers to other Pension Plans	337,142	208,259
Total Assets	230,934,434	203,817,591

VIII — Retirement Comparisons (Number and Types)



IX — Allowances Granted

Effective Date	Sex	Age	Service			Funds	Type of Benefit	Monthly Amount	
			Yrs.	Mos.					
1 Jan. 1/88	M	65	N.P.	9	10	N.P.	\$32,713.78	Formula Benefit	\$287.70
			F.P.	1	1	F.P.	3,522.44	Joint Life — G-0	33.38
2 Jan. 1/88	M	65	N.P.	5	0	N.P.	9,245.36	Formula Benefit	68.05
						F.P.	2,193.64	Joint Life — G-0	23.91
3 Jan. 1/88	M	62	N.P.	12	8	N.P.	33,717.96	Formula Benefit	399.15
			F.P.	5	8	F.P.	2,534.20	Joint Life — G-0	25.64
4 Jan. 1/88	F	57	N.P.	14	1	N.P.	29,263.73	Formula Benefit	296.02
			F.P.	1		F.P.	1,139.03	Joint Life — G-10	10.41
5 Jan. 1/88	M	65	N.P.	8	6	N.P.	24,591.35	Formula Benefit	178.79
						F.P.	6,063.53	Joint Life — G-10	59.42
6 Jan. 1/88			N.P.	15	1	N.P.	28,604.02	Formula Benefit	151.23*
7 Jan. 1/88	M	65	N.P.	9	9	N.P.	14,384.13	Formula Benefit	91.44
						F.P.	4,912.47	Joint Life — G-0	53.54
8 Jan. 1/88	F	65	N.P.	8	7	N.P.	9,555.01	Formula Benefit	78.13
						F.P.	1,295.35	Joint Life — G-0	12.87
9 Jan. 1/88	M	65	N.P.	14	6	N.P.	63,774.15	Formula Benefit	585.23
			F.P.	6	8	F.P.	49,944.46	Joint Life — G-15	473.97
10 Jan. 1/88	M	66	N.P.	13	2	N.P.	23,985.58	Formula Benefit	218.28
			F.P.	3	2	F.P.	6,576.12	Joint Life — G-10	65.18
11 Jan. 1/88	F	60	N.P.		11	N.P.	1,217.20	Formula Benefit	2.96
			F.P.	17	6	F.P.	26,626.08	Joint Life — G-10	245.67
12 Jan. 1/88	M	61	N.P.	10	6	N.P.	51,349.78	Formula Benefit	533.27
			F.P.	20	4	F.P.	122,600.23	Joint Life — G-10	1,184.06
13 Jan. 1/88	M	65	N.P.	14	4	N.P.	68,933.57	Formula Benefit	643.59
			F.P.	22	2	F.P.	90,028.58	Joint Life — G-10	890.88
14 Jan. 1/88			N.P.	14	7	N.P.	97,403.71	Formula Benefit	565.28*
			F.P.	6	3	F.P.	26,101.65	Immed. Life — G-0	238.63
15 Jan. 1/88	F	62	N.P.	14	4	N.P.	37,462.18	Formula Benefit	466.91
			F.P.	12	2	F.P.	20,860.72	Joint Life — G-10	196.39
16 Jan. 1/88	M	62	N.P.	14	6	N.P.	37,132.12	Formula Benefit	444.84
			F.P.	6	3	F.P.	10,884.86	Joint Life — G-10	104.73
17 Jan. 1/88	M	60	N.P.	14	1	N.P.	40,878.85	Formula Benefit	424.97
			F.P.	19	7	F.P.	59,926.48	Joint Life — G-10	562.45
18 Jan. 1/88	M	65	N.P.	8	4	N.P.	15,460.78	Formula Benefit	120.77
						F.P.	2,920.70	Joint Life — G-0	29.21
19 Jan. 1/88	M	67	N.P.	4	6	N.P.	10,151.47	Formula Benefit	65.65
			F.P.	4	1	F.P.	9,970.85	Joint Life — G-10	101.87
20 Jan. 1/88	M	64	N.P.	14	6	N.P.	99,590.73	Formula Benefit	1,271.98
21 Jan. 1/88	M	65	N.P.	10	2	N.P.	16,201.61	Formula Benefit	108.41
						F.P.	6,559.61	Joint Life — G-10	63.91
22 Feb. 1/88	M	65	N.P.	14	4	N.P.	35,323.61	Formula Benefit	251.50
						F.P.	9,273.55	Joint Life — G-0	96.50
23 Feb. 1/88	M	65	N.P.	14	6	N.P.	39,219.55	Formula Benefit	334.16
						F.P.	4,607.33	Joint Life — G-0	46.82
24 Feb. 1/88	F	65	N.P.	6	7	N.P.	16,693.42	Formula Benefit	139.75
						F.P.	1,932.12	Immed. Life — G-0	20.01

IX — Allowances Granted Continued

Effective Date	Sex	Age		Service			Funds		Type of Benefit	Monthly Amount
				Yrs.	Mos.					
25	Feb. 1/88	M	65	N.P.	3	7	N.P.	10,990.97	Formula Benefit	39.22
				F.P.	5	5	F.P.	15,429.05	Joint Life — G-10	148.37
26	Mar. 1/88	M	65	N.P.	10	11	N.P.	17,079.46	Formula Benefit	117.15
							F.P.	4,951.24	Joint Life — G-0	49.85
27	Mar. 1/88	M	65	N.P.	14	8	N.P.	42,378.46	Formula Benefit	362.17
				F.P.	3	1	F.P.	9,433.96	Joint Life — G-10	89.48
28	Mar. 1/88	F	65	N.P.	14	6	N.P.	26,838.38	Formula Benefit	269.88
				F.P.	3	2	F.P.	4,177.29	Joint Life — G-10	39.11
29	Mar. 1/88	F	64	N.P.	10	5	N.P.	18,986.48	Formula Benefit	216.48
				F.P.	6	6	F.P.	3,588.00	Immed. Life — G-0	34.79
30	Mar. 1/88	M	66	N.P.	5	7	N.P.	18,556.99	Formula Benefit	131.56
				F.P.	1	0	F.P.	2,481.10	Immed. Life — G-5	59.89
31	Mar. 1/88	M	65	N.P.	14	9	N.P.	36,489.10	Formula Benefit	325.39
							F.P.	2,797.74	Joint Life — G-0	27.38
32	Mar. 1/88	M	65	N.P.	14	8	N.P.	60,670.78	Formula Benefit	561.41
				F.P.	19	1	F.P.	67,173.77	Joint Life — G-10	639.87
33	Apr. 1/88	M	65	N.P.	14	9	N.P.	40,304.58	Formula Benefit	344.51
				F.P.	24	6	F.P.	102,950.39	Joint Life — G-10	972.41
34	Apr. 1/88	M	65	N.P.	7	6	N.P.	16,223.28	Formula Benefit	115.60
							F.P.	4,255.34	Joint Life — G-0	39.29
35	Apr. 1/88	M	65	N.P.	14	9	N.P.	79,987.73	Formula Benefit	724.37
				F.P.	26	0	F.P.	108,643.63	Joint Life — G-10	1,030.50
36	Mar. 1/88	M	60	N.P.	2	10	N.P.	11,061.98	Formula Benefit	42.11
				F.P.	17	11	F.P.	64,161.20	Joint Life — G-0	577.32
37	Apr. 1/88	M	65	N.P.	11	4	N.P.	30,131.11	Formula Benefit	244.71
							F.P.	4,793.84	Joint Life — G-0	46.92
38	Apr. 1/88	M	65	N.P.	14	2	N.P.	67,688.49	Formula Benefit	618.24
					5		F.P.	48,168.74	Joint Life — G-0	456.66
39	Apr. 1/88			N.P.	14	6	N.P.	34,219.18	Formula Benefit	165.38*
40	May 1/88			N.P.			N.P.	48,967.24	Formula Benefit	199.56*
41	May 1/88	M	65	N.P.	11	2	N.P.	36,598.43	Formula Benefit	302.94
42	Mar. 1/88	M	65	N.P.	9	7	N.P.	15,231.81	Formula Benefit	106.61
							F.P.	4,195.38	Joint Life — G-0	41.43
43	May 1/88	F	65	N.P.	14	10	N.P.	63,529.02	Formula Benefit	600.92
				F.P.	5	0	F.P.	11,471.27	Joint Life — G-10	109.54
44	Apr. 1/88	M	59	N.P.	11	5	N.P.	35,584.22	Formula Benefit	297.51
				F.P.	17	8	F.P.	9,268.19	Joint Life — G-0	83.61
45	June 1/88	M	65	N.P.	15	10	N.P.	39,825.38	Formula Benefit	348.90
							F.P.	3,768.23	Joint Life — G-0	38.96
46	May 1/88	M	65	N.P.	7	1	N.P.	22,453.60	Formula Benefit	102.83
				F.P.	18	0	F.P.	47,931.67	Joint Life — G-10	467.65
47	June 1/88	F	65	N.P.	7	8	N.P.	7,238.78	Formula Benefit	26.23
48	June 1/88	M	68	N.P.	14	2	N.P.	19,318.16	Formula Benefit	173.45
							F.P.	14,542.68	Joint Life — G-10	152.70
49	June 1/88	M	65	N.P.	5	6	N.P.	8,845.89	Formula Benefit	73.04
							F.P.	2,347.07	Joint Life — G-10	22.57

IX — Allowances Granted Continued

Effective Date	Sex	Age	Service		Yrs. Mos.		Funds	Type of Benefit	Monthly Amount
50 July 1/88	F	65	N.P.	11	10	N.P.	27,516.17	Formula Benefit	233.71
			F.P.			F.P.	2,833.23	Joint Life — G-0	27.63
51 July 1/88	F	66	N.P.	4	4	N.P.	6,901.63	Formula Benefit	49.40
			F.P.	3	6	F.P.	4,266.37	Immed. Life — G-10	42.95
52 July 1/88	M	65	N.P.	15	5	N.P.	43,689.56	Formula Benefit	373.78
			F.P.	14	11	F.P.	6,195.96	Joint Life — G-0	60.42
53 July 1/88	F	65	N.P.	13	10	N.P.	46,396.85	Formula Benefit	402.67
			F.P.	12	2	F.P.	4,716.45	Joint Life — G-10	45.16
54 July 1/88	M	60	N.P.	14	1	N.P.	34,434.84	Formula Benefit	368.07
			F.P.	7	0	F.P.	11,885.92	Joint Life — G-10	110.17
55 July 1/88	M	61	N.P.	15	0	N.P.	136,284.96	Formula Benefit	1,325.19
			F.P.	14	4	F.P.	129,955.00	Joint Life — G-10	1,224.99
56 July 1/88	M	65	N.P.	12	3	N.P.	24,550.27	Formula Benefit	165.83
			F.P.	26	4	F.P.	7,373.22	Joint Life — G-0	74.27
57 July 1/88	M	59	N.P.	15	0	N.P.	49,401.77	Formula Benefit	389.23*
58 July 1/88	M	65	N.P.	2	9	N.P.	4,899.68	Formula Benefit	24.80
			F.P.	22	0	F.P.	64,348.40	Joint Life — G-10	640.17
59 July 1/88	F	65	N.P.	11	4	N.P.	15,463.48	Formula Benefit	124.05
			F.P.	10	5	F.P.	3,079.56	Immed. Life — G-10	30.23
60 June 1/88	M	65	N.P.	4	4	N.P.	10,709.36	Formula Benefit	63.81
			F.P.			F.P.	4,539.98	Joint Life — G-10	44.01
61 July 1/88	F	65	N.P.	4	11	N.P.	7,707.41	Formula Benefit	53.63
			F.P.			F.P.	2,050.15	Joint Life — G-0	20.10
62 July 1/88	M	65	N.P.	10	5	N.P.	24,622.36	Formula Benefit	206.02
			F.P.			F.P.	5,752.77	Joint Life — G-10	53.49
63 July 1/88	M	61	N.P.	15	0	N.P.	78,450.52	Formula Benefit	801.55
			F.P.	5	4	F.P.	15,429.12	Joint Life — G-10	143.32
64 July 1/88	M	60	N.P.	15	0	N.P.	76,348.51	Formula Benefit	790.18
			F.P.	7	1	F.P.	18,167.49	Joint Life — G-10	168.39
65 Aug. 1/88	F	65	N.P.	5	10	N.P.	3,950.81	Formula Benefit	27.36
			F.P.			F.P.	1,060.84	Immed. Life — G-0	10.82
66 Aug. 1/88	M	65	N.P.	3	6	N.P.	5,072.56	Formula Benefit	36.28
			F.P.			F.P.	1,318.38	Joint Life — G-0	13.39
67 Aug. 1/88	M	65	N.P.	5	0	N.P.	11,864.27	Formula Benefit	87.01
			F.P.			F.P.	2,852.15	Joint Life — G-0	29.09
68 Aug. 1/88	M	65	N.P.	6	5	N.P.	9,904.63	Formula Benefit	65.72
			F.P.			F.P.	3,096.85	Joint Life — G-0	32.80
69 Aug. 1/88	M	65	N.P.	14	3	N.P.	24,897.07	Formula Benefit	185.94
70 Jan. 1/88	M	65	N.P.	15	1	N.P.	20,315.81	Formula Benefit	137.35
71 Aug. 1/88	M	58	N.P.	15	1	N.P.	74,840.27	Formula Benefit	712.93
			F.P.	20	3	F.P.	100,862.02	Immed. Life — G-10	988.20
72 Sept. 1/88			N.P.	14	8	N.P.	37,817.40	Formula Benefit	145.17*
73 Sept. 1/88	F	65	N.P.	9	9	N.P.	8,058.73	Formula Benefit	55.08
			F.P.			F.P.	2,240.18	Immed. Life — G-0	23.20
74 Sept. 1/88	M	70	N.P.	9	4	N.P.	23,656.46	Formula Benefit	165.38
			F.P.	21	2	F.P.	9,430.82	Immed. — G-10	108.30

IX — Allowances Granted Continued

Effective Date	Sex	Age	Service		Yrs. Mos.		Funds	Type of Benefit	Monthly Amount
75 Sept. 1/88	M	65	N.P.	8	7	N.P.	18,128.28	Formula Benefit	120.71
			F.P.			F.P.	5,624.86	Joint Life — G-0	62.84
76 Sept. 1/88	M	60	N.P.	15	2	N.P.	41,611.96	Formula Benefit	459.82
			F.P.	6	8	F.P.	5,016.20	Joint Life — G-10	47.40
77 July 1/88	M	65	N.P.	10	5	N.P.	10,453.04	Formula Benefit	61.81
			F.P.			F.P.	4,050.44	Joint Life — G-0	40.96
78 Oct. 1/88	M	64	N.P.	11	3	N.P.	24,291.84	Formula Benefit	241.49
			F.P.			F.P.	6,858.03	Immed. Life — G-0	78.63
79 Oct. 1/88	M	65	N.P.	14	0	N.P.	30,730.82	Formula Benefit	254.18
80 Sept. 1/88	M	65	N.P.	3	9	N.P.	4,956.29	Formula Benefit	32.11
			F.P.			F.P.	1,634.68	Joint Life — G-0	16.87
81 Oct. 1/88	M	65	N.P.	5	10	N.P.	9,961.17	Formula Benefit	64.72
			F.P.			F.P.	3,285.93	Joint Life — G-0	34.05
82 Oct. 1/88	M	65	N.P.	15	3	N.P.	13,579.78	Formula Benefit	96.72
			F.P.	12	11	F.P.	3,561.90	Joint Life — G-0	38.46
83 Oct. 1/88	F	65	N.P.	13	5	N.P.	42,515.59	Formula Benefit	470.71
			F.P.	2	7	F.P.	13,432.09	Joint Life — G-10	128.32
84 July 1/88	M	65	N.P.	2	8	N.P.	3,756.22	Formula Benefit	14.52
					9	F.P.	1,158.88	Immed. Life — G-10	30.72
85 Nov. 1/88	M	65	N.P.	9	0	N.P.	27,823.09	Formula Benefit	207.45
			F.P.			F.P.	6,335.14	Joint Life — G-0	68.73
86 Nov. 1/88	M	65	N.P.	15	1	N.P.	62,516.01	Formula Benefit	545.52
			F.P.			F.P.	7,742.31	Joint Life — G-10	76.13
87 Nov. 1/88	M	65	N.P.	15	0	N.P.	21,123.28	Formula Benefit	133.14
			F.P.			F.P.	13,944.23	Joint Life — G-10	136.44
88 Nov. 1/88	M	64	N.P.	16	0	N.P.	39,914.24	Formula Benefit	536.20
			F.P.			F.P.	3,613.56	Joint Life — G-0	36.25
89 Nov. 1/88	M	60	N.P.	15	2	N.P.	53,066.91	Formula Benefit	557.23
			F.P.	8	5	F.P.	17,511.65	Joint Life — G-10	165.25
90 Nov. 1/88	M	65	N.P.	10	7	N.P.	24,787.40	Formula Benefit	211.01
			F.P.			F.P.	2,942.96	Joint Life — G-0	29.70
91 Nov. 1/88	M	65	N.P.	15	2	N.P.	33,773.31	Formula Benefit	296.32
			F.P.	6	6	F.P.	11,218.54	Joint Life — G-10	111.99
92 Nov. 1/88	M	65	N.P.	12	4	N.P.	31,039.04	Formula Benefit	260.42
			F.P.			F.P.	4,032.97	Joint Life — G-0	40.45
93 Nov. 1/88	M	65	N.P.	8	5	N.P.	12,890.36	Formula Benefit	85.28
			F.P.			F.P.	128.88	Joint Life — G-0	1.33
94 Nov. 1/88	M	65	N.P.	11	7	N.P.	33,041.10	Formula Benefit	214.09
			F.P.		5	F.P.	11,454.45	Joint Life — G-10	111.73
95 Dec. 1/88	M	65	N.P.	12	11	N.P.	36,211.54	Formula Benefit	282.18
			F.P.			F.P.	6,353.66	Joint Life — G-0	67.96
96 Dec. 1/88	M	65	N.P.	8	1	N.P.	25,061.81	Formula Benefit	204.72
			F.P.			F.P.	3,880.09	Joint Life — G-0	39.87
97 Dec. 1/88	M	65	N.P.	14	8	N.P.	44,697.34	Formula Benefit	368.92
			F.P.			F.P.	6,490.36	Joint Life — G-0	67.83
98 Dec. 1/88	M	65	N.P.	13	0	N.P.	32,912.39	Formula Benefit	242.66
			F.P.	12	8	F.P.	8,056.32	Joint Life — G-10	78.52

IX — Allowances Granted Continued

Effective Date	Sex	Age	Service			Funds	Type of Benefit	Monthly Amount	
			N.P.	Yrs.	Mos.	F.P.			
99 Dec. 1/88	M	65	N.P.	15	4	N.P.	82,607.92	Formula Benefit	811.20
			F.P.	8	2	F.P.	17,104.60	Joint Life — G-10	172.09
100 Dec. 1/88	M	61	N.P.	13	11	N.P.	13,308.02	Formula Benefit	118.43
			F.P.	8		F.P.	3,423.18	Joint Life — G-10	33.56
101 Dec. 1/88	F	62	N.P.	14	9	N.P.	40,385.14	Formula Benefit	480.47
			F.P.	1	2	F.P.	725.48	Immed. Life — G-0	7.16

* Dependent's Allowance

** Disability Allowance

X — Transfers to Other Registered Pension Plans

Employer	Transferee	Amount
1. Shamrock S.D. #38	PESP	\$ 13,078
2. Cumberland Community College	PESP	49,635
3. South East Regional Library	PESP	8,972
4. Northern Lights S.D. # 113	STSC	2,674
5. Lakeland Regional Library	SHA	1,284
6. City of Prince Albert	OMERS	57,728
7. Prince Albert Regional College	PESP	13,878
8. Prince Albert Regional College	PESP	12,744
9. Town of Davidson	CSS	463
10. Rosetown S.D. #43	RCESP	1,824
11. Eastend S.D. #8	APSPA	45,109
12. Assiniboia Pioneer Lodge	APSPA	9,356
13. John Cuelenaere Library	APSPA	45,565
14. Town of Govan	PESP	29,933
15. R.M. of Reford #379	PESP	39,168
16. North Battleford S.D. #103	GCTB	5,731
		<u>\$337,142</u>

Explanation of Abbreviations:

APSPA	— Alberta Public Service Pension Administration
GCTB	— Government of Canada Treasury Board
CSS	— Co-operative Superannuation Society
OMERS	— Ontario Municipal Employees Retirement Board
PESP	— Public Employees Superannuation Plan
RCESP	— Regina Civic Employees' Superannuation Plan
SHA	— Saskatchewan Health-Care Association
STSC	— Saskatchewan Teachers' Superannuation Commission

XI — Deaths of Members

Payments to Estates, Beneficiaries, or Dependents

Name	Date of Death	Age at Time of Death
Cadrin, William	Oct. 9, 1988	55
Currie, Gerald	July 4, 1988	60
Fish, Margaret	April 20, 1988	46
Fortier, Henri	Dec. 27, 1987	64
Gariepy, Harvey	March 4, 1988	52
Jennett, Marilyn	June 7, 1988	45
Scott, Robert	April 25, 1988	34
Williams, Violet	Aug. 28, 1988	64
Zess, William	Nov. 21, 1987	58

XII — Deaths of Superannuated Members

Name	Date of Death	Age at Time of Death
Bonokoski, Isidor	Feb. 10, 1988	73
Carter, Albert	Dec. 13, 1987	76
Crush, Walter	Sept. 7, 1988	74
Dame, George	Dec. 30, 1987	70
Davison, William	Apr. 26, 1988	67
Dellow, Fred	Nov. 30, 1988	76
Duff, Charles	Aug. 28, 1988	67
Gerein, Mike	Dec. 12, 1987	58
Gervais, Arthur	Oct. 10, 1988	68
Hamilton, George	Apr. 19, 1988	81
Hogan, Edward	Oct. 4, 1988	73
Janzen, Elmer	Sept. 21, 1988	74
Jarman, Leo	Dec. 10, 1987	70
Kehler, Nick	July 2, 1988	75
Kopperud, Grace	Feb. 27, 1988	71
Krancz, Anna	Oct. 1, 1988	83
Lamontagne, Jitske	Mar. 9, 1988	69
Lovestone, Gilbert	Apr. 1, 1988	85
Materi, Stephen	Nov. 18, 1988	65
McComb, Robert	June 27, 1988	83
McIvor, Stanley	Nov. 3, 1988	78
Muyers, Lambert	Feb. 7, 1988	75
Plaxton, Bessie	Jan. 18, 1988	73
Robertson, Eric	Mar. 13, 1988	76
Sinclair, Finlay	Jan. 17, 1988	66
Teibler, Henry	Jan. 20, 1988	65
Wadsworth, J. Gordon	Oct. 12, 1988	85
Wall, Audrey	Sept. 7, 1988	65
Weir, Clarence	Jan. 18, 1988	74
Weir, Leslie	Sept. 9, 1988	71
Zazelenchuk, W.	Mar. 23, 1988	68

XIII — Lump Sum Payments

Payments to Estates and Beneficiaries

Payment No.	Amount
1	\$22,769
2	4,331
3	19,040
4	8,420
5	10,139
6	10,045
7	4,224
8	3,430
9	11,897
	<u>\$94,295</u>

XIV — Administration Expenses

Salaries — Permanent — in scope	\$111,763
— Permanent — out of scope	31,687
Honorariums	8,864
Sub Total	<u>152,314</u>
Computer Services	13,705
Management Consultant	4,382
Operating Expenses	45,527
Postage	11,711
Rent	15,504
Total Administration Fees	<u>\$243,143*</u>

* This represents the administrative costs for the fiscal year January 1, 1988 to December 31, 1988.

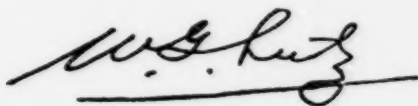
XV — Auditor's Report and Financial Statements

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the balance sheet of The
Municipal Employees' Superannuation Fund as
at December 31, 1988 and the statement of
changes in fund balance for the year then
ended. My examination was made in
accordance with generally accepted auditing
standards, and accordingly included such tests
and other procedures as I considered
necessary in the circumstances.

In my opinion, these financial statements
present fairly the financial position of the Fund
as at December 31, 1988 and the results of its
operations and the changes in its financial
position for the year then ended in accordance
with the accounting principles disclosed in
Note 2 to the financial statements applied on a
basis consistent with that of the preceding year.

A handwritten signature in black ink, appearing to read 'W. G. Lutz', is written over a horizontal line.

Regina, Saskatchewan,
February 27, 1989.

W. G. Lutz, F.C.A.,
Provincial Auditor.

Statement 1

The Municipal Employees' Superannuation Fund

Balance Sheet

As at December 31

	1988	1987
Assets		
Cash	\$ 855,981	\$ —
Contributions and other accounts receivable	1,400,710	1,320,369
Accrued interest	4,304,179	3,230,859
Investments (Note 3)	224,373,564	199,266,363
	<u>\$230,934,434</u>	<u>\$203,817,591</u>
Liabilities and Fund Balance		
Liabilities:		
Bank overdraft	\$ —	\$ 118,108
Accounts payable	198,318	105,824
Provision for future annuities	16,549,527	15,546,384
Total liabilities	<u>\$ 16,747,845</u>	<u>\$ 15,770,316</u>
Fund balance:		
Defined Benefit Plan	196,018,447	171,853,070
Money Accumulation Plan	14,075,184	13,719,413
Annuity Underwriting	(2,955,406)	(2,701,447)
Supplementary Benefits	7,048,364	5,176,239
Total fund balance	<u>\$214,186,589</u>	<u>\$188,047,275</u>
	<u>\$230,934,434</u>	<u>\$203,817,591</u>

(see accompanying notes to the financial statements)

The Municipal Employees' Superannuation Fund

Statement of Changes in Fund Balance

Year Ended December 31, 1988

	Defined Benefit Plan		Money Accumulation Plan		Annuity Underwriting Activity		Supplementary Benefits Activity		Total 1988	Total 1987
	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987
Balance, beginning of year	\$171,853,070	\$145,153,797	\$13,719,413	\$13,166,888	\$12,701,448	\$12,637,478	\$5,176,240	\$3,669,356	\$188,047,275	\$159,352,565
Add:										
Contributions										
— employees	6,627,251	6,472,567	73,531	98,173	—	—	—	—	6,700,782	6,570,740
— employers	6,627,251	6,472,567	48,251	79,470	—	—	—	—	6,675,502	6,552,037
Interest on funds transferred in	162,376	104,572	—	—	—	—	—	—	162,376	104,572
Interest earned	17,185,858	18,571,194	1,355,550	1,424,166	1,239,515	1,411,116	534,644	465,885	20,315,567	21,872,361
Contribution — Rural Pension Supplement	15,053	15,182	—	—	—	—	—	—	15,053	15,182
	30,617,789	31,636,082	1,477,332	1,601,809	1,239,515	1,411,116	534,644	465,885	33,869,280	35,114,892
Deduct:										
Transfers to other retirement plans	337,142	208,259	—	—	—	—	—	—	337,142	208,259
Lump sum payments to estates	85,982	43,579	8,313	7,112	—	—	—	—	94,295	50,691
Payments in lieu of annuities	67,070	59,158	1,309	2,100	—	—	—	—	68,379	61,258
Payments to insurance company	—	—	—	3,883	—	—	—	—	—	3,883
Withdrawals with interest	1,220,881	946,883	30,508	1,297	—	—	—	—	1,251,389	948,180
Allowances	1,897,731	1,612,537	—	—	2,067,948	1,894,467	796,386	525,322	4,762,065	4,032,326
Actuary fees	8,205	8,485	—	—	—	—	—	—	8,205	8,485
Administration fees	205,348	—	—	—	—	—	—	—	205,348	—
Change in actuarial value	—	—	—	—	1,003,143	1,107,100	—	—	1,003,143	1,107,100
	3,822,359	2,878,901	40,130	14,392	3,071,091	3,001,567	796,386	525,322	7,729,966	6,420,192
Add (Deduct):										
Intra-fund transactions:										
Retirement annuities purchased	—	—	(1,577,618)	(1,526,481)	1,577,618	1,526,481	—	—	—	—
Excess employee contributions	(496,187)	(491,589)	496,187	491,589	—	—	—	—	—	—
	(496,187)	(491,589)	(1,081,431)	(1,034,892)	1,577,618	1,526,481	—	—	—	—
Net Increase (Decrease)	26,299,243	28,265,592	355,771	552,525	(253,958)	(63,970)	(261,742)	(59,437)	26,139,314	28,694,710
Balance before the following	198,152,313	173,419,389	14,075,184	13,719,413	(2,955,406)	(2,701,448)	4,914,498	3,609,921	214,186,589	188,047,275
Funds transferred	(2,133,866)	(1,566,319)	—	—	—	—	2,133,866	1,566,319	—	—
Balance, end of year	\$196,018,447	\$171,853,070	\$14,075,184	\$13,719,413	\$12,955,406	\$12,701,448	\$7,048,364	\$5,176,240	\$214,186,589	\$188,047,275

(see accompanying notes to the financial statements)

Notes to Financial Statements

December 31, 1988

1. Description of the Municipal Employees' Superannuation Fund

General

The Municipal Employees' Superannuation Act, Section 11, provides authority for The Municipal Employees' Superannuation Fund. The Act directs that all allowances, payments and refunds under the Act shall be payable out of the fund in the manner provided in the Act together with all benefits granted under a former Act. Effective June 1, 1988, the Investment Provisions Amendment Act placed the responsibility for holding in trust and investing the monies in the fund with the Municipal Employees' Superannuation Commission. Prior to this, all monies in the fund were paid to and held in trust by the Minister of Finance who invested such monies in securities authorized under The Pension Benefits Act. All other administrative responsibilities reside with The Municipal Employees' Superannuation Commission whose composition and authority to administer the Act are provided in Section 7 of the Act.

Fund Balances

The Municipal Employees' Superannuation Fund is composed of several activities. The purpose and details of the activities are outlined below.

Defined Benefit Plan

The defined benefit plan became effective July 1, 1973. The plan is mandatory for employees with one year of service. Contributions are established at 7% of earnings net of C.P.P. contributions and are matched by the employer.

At age 65 employees are entitled to pension benefits equal to:

- 1.3% of that portion of their average salary averaged over the five calendar years of highest salary which is not in excess of the average yearly maximum pensionable earnings for the three years immediately prior to retirement; and
- 2% of that portion of their average salary averaged over the five calendar years of highest salary, if any, which exceed the average yearly maximum pensionable earnings of the three years immediately prior to retirement;

for each year and fractional year of contributory service in the plan prior to retirement.

Employees who have attained the age of at least 55 years and who are credited with at least 15 years of continuous service may retire and receive early retirement pensions; however, such allowances are subject to reductions of .25% per month for each month that their early retirement dates precede their normal retirement dates.

Employees can retire without reduction if their age plus contributory service total 80 (70 for policemen and firemen).

Upon termination of employment, where age and service total less than 45 years, the member may withdraw all of his own contributions plus interest; however, in such cases the funds contributed by his employer on his behalf become a forfeiture to the fund.

When the terminating employee's age and service total 45 years or more, he may either withdraw one-half of his own contributions and interest and remain eligible for a reduced allowance at normal retirement age, or he may simply leave all funds with the plan and receive a "full" nonreduced deferred pension at normal retirement age.

When an employee dies and has less than 10 years of credited service to his credit, his named beneficiary is entitled to a lump sum refund of the decedent's contributions and interest. In cases where the deceased member did have at least 10 years of credited service to his credit, his surviving spouse, if any, is entitled to an allowance amounting to 60% of what would be payable if the decedent were alive and eligible for a pension. Additional benefits, not exceeding 25% of the decedent's calculated pension, may be payable where dependent children are also involved.

If a pensioner dies leaving a spouse or dependent, 60% of the pension is paid for life. If there is no spouse or dependent, the balance of member contributions plus interest at retirement, less pension payments, is paid in a lump sum.

Interest is allocated annually on the basis of the plan's portion of the total assets of the Fund.

Any surpluses that arise in the fund as a result of forfeitures of employer contributions on an employee's withdrawal, investment earnings on existing surpluses or in excess of actuarial assumptions, or contributions in excess of that required to meet current fund obligations can be used at the discretion of the Commission to finance other activities.

Money Accumulation Plan

The Money Accumulation Plan consists of members who made contributions to the money purchase plan in effect prior to July 1, 1973. Upon retirement members must purchase an annuity from either the fund or a private insurer based on all employee and employer contributions together with interest thereon. In the event of death prior to retirement, their beneficiaries have the option of receiving such annuities or receiving a lump sum payment of all employee and employer accounts.

In addition, the accounts set up to record mandatory contributions made to the fund prior to July 1, 1973, may also contain:

- voluntary employee and/or employer contributions made either before or after July 1, 1973,
- any employee and/or employer contributions made to the plan subsequent to normal retirement age, and
- any excess employee funds transferred from the new plan pursuant to Subsection 20(4) of The Municipal Employees' Superannuation Act.

Interest is credited annually to the individual members account balances in accordance with the provisions of the governing legislation. An interest rate of 10.5% was approved by the Commission in 1988 and 11.5% in 1987.

Any forfeitures of the employer contributions, resulting from an employee withdrawing from the plan, are removed from the plan and credited to the supplementary benefits activity for use at the discretion of the Commission.

Annuity Underwriting

Members of the Money Accumulation Plan upon retirement must purchase a life annuity through the Commission or through a private insurer.

If the member elects to purchase through the Commission, the individual's account balance is transferred to the annuity underwriting activity and an annuity contract is agreed to based on current interest rates and annuity tables.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

The present value of future annuities is reflected as a liability to the fund and a charge against the annuity underwriting activity.

Any surplus resulting in the activity can be utilized at the discretion of the Commission.

Supplementary Benefits

In accordance with the Act, the Commission makes supplementary benefits to superannuates to compensate them for lost purchasing power.

These supplementary benefits can be made by the Commission as long as the solvency of the entire fund is not impaired.

Funding for supplementary benefits results from forfeitures from the Money Purchase Plan and from the Commission transferring surplus amounts from the other activities to equal the actuarial valuation of supplements granted.

Interest is allocated annually on the basis of the activity's portion of the total assets of the Fund.

2. Accounting Policies

These financial statements have been prepared in accordance with accounting principles considered appropriate for the Fund. The significant accounting policies are as follows:

Accrual Accounting

The financial statements are prepared on the accrual basis. The statements show only the position of the fund as at the year-end and do not purport to show the adequacy of the fund to meet its future obligations except that the fund records a provision for the present value of future annuity payments.

Investments

The bonds and debentures are recorded at amortized cost, and any premiums or discounts associated with their acquisition are amortized on a straight-line basis. When bonds and debentures are sold to permit reinvestment, any gain or loss as a result of the sale and any unamortized premiums or discounts are amortized over the remaining term of the security sold. Short-term deposit certificates, corporate shares, mortgages and real estate are recorded at cost. Any gains or losses resulting from their sale are recognized in the period of the sale.

3. Investments

	1988		1987	
	Cost	Market Value	Cost	Market Value
Bonds and debentures at par	\$125,749,691	\$	\$120,059,511	\$
Less:				
Unamortized gains/losses	(1,691,331)		(1,805,906)	
Unamortized premiums/discounts	(3,771,776)		(3,907,558)	
	120,286,584	122,518,793	114,346,047	117,106,793
Deposit certificates — short-term	55,249,060	55,249,060	33,795,169	33,795,169
Corporate shares	36,487,430	37,103,762	37,745,649	34,105,974
Mortgages	8,215,690	8,312,534	9,300,831	9,334,663
Real estate	4,134,800	4,594,774	4,078,667	3,917,912
Investments — to Statement 1	<u>\$224,373,564</u>	<u>\$227,778,923</u>	<u>\$199,266,363</u>	<u>\$198,260,511</u>

4. Actuarial Report

The *Pension Benefits Act* requires an actuarial valuation of the assets and liabilities of the fund to be made by an Actuary at regular intervals of three years. The most recent valuation was carried out as at December 31, 1986.

The valuation indicates the fund to be fully funded, with a surplus, and the current contribution rate more than sufficient to finance benefits to be earned in the future.

The surplus of the fund as at December 31, 1986, was calculated to be \$37,291,237 determined as follows:

Assets	<u>\$174,094,342</u>
Actuarial Liabilities	
Money Accumulation Plan	\$ 13,155,730
Active Members	85,428,146
Inactive Members	4,014,810
Deferred Pensions	1,006,854
Pensioners	33,197,565
	<u>\$136,803,105</u>
Surplus	<u>\$ 37,291,237</u>

The Actuary used the Accrued Benefit Method to determine whether the assets in the fund at valuation date were sufficient to finance the benefits earned in respect of service to the valuation date.

This method examines each benefit that may be payable in the future due to service up to the valuation date multiplying it by its probability of being paid and discounting back to the valuation date using an interest rate.

To determine the contribution rate for the future that will finance future benefits to be earned in the future, the Single Premium, or Unit Cost, Method was used.

The significant actuarial assumptions are as follows:

(a) Life Expectancy

It was assumed that future mortality experience would follow the 1983 Group Annuity Mortality Table.

(b) Rate of Investment Return

A 7% per annum return on investments was assumed.

(c) Salary Increases

Salary increases were assumed to be 6% adjusted to include merit and promotion factors.

(d) Termination

Termination pattern used was as follows:

Age	Male %	Female %
20	16.0	32.0
30	8.8	17.6
40	4.7	9.4
50	2.1	4.2

(e) Retirement

The actuarial valuation assumed that all police and fire employees retire at age 60 and all other members retire at age 65.

(f) Dependents

It was assumed that 100% of males and 80% of females would be married at death and 90% would be married at retirement.

(g) Asset Values

Book value was used as a conservative estimate of market value.

5. Administrative Costs

The costs of administering the Act for the period January 1 to March 31, 1988, were borne by the Consolidated Fund of the Province pursuant to Section 10 of The Municipal Employees' Superannuation Act. Accordingly, these costs are not reflected in the financial statements.

The costs of actuarial studies are borne by The Municipal Employees' Superannuation Fund in accordance with provisions contained in Section 12 of the Act.